

## **RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION**

**#2-09**

### **Pine Hill Borough, Camden County**

WHEREAS, Pine Hill Borough, Camden County, petitioned the Council on Affordable Housing (COAH) on December 30, 2008 for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, Pine Hill Borough published notice of its petition on January 23, 2009 in the Courier Post, which is a newspaper of general circulation within the county, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5; and

WHEREAS, no objections to the plan were received by COAH during the 45-day objection period, which ended March 12, 2009; and

WHEREAS, Pine Hill Borough's fair share plan addresses a total 1987-2018 affordable housing obligation of 195 units, consisting of a 38-unit rehabilitation share, 22-unit prior round obligation and a 135-unit projected growth share obligation; and

WHEREAS, COAH staff has reviewed the Borough's Housing Element and Fair Share Plan; and

WHEREAS, Pine Hill Borough proposes to address its 38-unit rehabilitation share with 18 rehabilitation credits and 20 new construction credits from the Mansion, a 360-unit, HUD-sponsored family rental development; and

WHEREAS, the Borough proposes to address its 22-unit prior round obligation with 22 credits from the Mansion; and

WHEREAS, Pine Hill proposes to address its 135-unit projected growth share obligation with 135 credits from the Mansion; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on March 12, 2009 COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of Pine Hill Borough's petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) and COAH received no comments.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by Pine Hill Borough comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to Pine Hill Borough; and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), Pine Hill Borough shall adopt all implementing Fair Share Ordinances and the resolution of intent to bond or appropriate funds from general revenue within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED that if Pine Hill Borough fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Pine Hill shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that Pine Hill shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting Pine Hill's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Pine Hill's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Pine Hill and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or

greater, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Pine Hill's substantive certification shall remain in effect until December 30, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of Pine Hill Borough to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Borough fails to remedy, may render this certification null and void.

I hereby certify that this resolution was  
duly adopted by the Council on Affordable  
Housing at its public meeting on April 8, 2009

A handwritten signature in cursive script, reading "Renee Reiss". The signature is written in black ink and is positioned above the printed name and title.

Renee Reiss, Secretary  
Council on Affordable Housing



***Council on Affordable Housing  
Compliance Report  
March 12, 2009***



**Pine Hill:** Pine Hill Borough  
**County:** Camden County

**COAH Region:** 5  
**Planning Area:** 1  
**Special Resource Area:** None

**Housing Element and Fair Share Plan Adopted:** December 11, 2008  
**Petition for 3<sup>rd</sup> Round Substantive Certification:** December 30, 2008  
**Completeness Determination:** January 13, 2009  
**Date of Publication:** January 23, 2009 (Courier Post, Cherry Hill)

**Objections Received:** No

**Petition Includes:**

**VLA:** No  
**GPA:** No  
**Waiver:** No                      **Section:** N/A

**Date of Site Visit:** N/A

**History of Approvals:**

	<b>COAH</b>	<b>JOC</b>	<b>N/A</b>
<b>First Round:</b>			X
<b>Second Round:</b>	10/01/2003		
<b>Extended Certification:</b>			X

**Plan Preparer:** David Gerken, PP/AICP

**Municipal Housing Liaison:** Fred Costantino

**Recommendation:** Grant Substantive Certification

***SUMMARY OF FAIR SHARE OBLIGATION***

Rehabilitation Share	38
Prior Round Obligation	22
Projected Growth Share Obligation (Net)	135

***ACTUAL GROWTH and GROWTH SHARE through 9/2008<sup>1</sup>***

<b>Res Units (#)</b>	<b>Actual Res Growth Share</b>	<b>Jobs (#)</b>	<b>Actual Non-Res Growth Share</b>	<b>Actual TOTAL Growth Share</b>
63	13 units	162	10 units	23 units

***COMPLIANCE PLAN SUMMARY***

<b>Obligation</b>	<b>Credit/ Mechanism Type</b>	<b># Units Completed</b>	<b># Units Proposed</b>	<b>TOTAL</b>
<b>REHABILITATION: 38 units</b>				
<b>Credits</b>	Post-April 1, 2000	18		18
<b>Program(s)</b>	New Construction Credits	20		20
<b>Rehabilitation Subtotal</b>				<b>38</b>
<b>NEW CONSTRUCTION:</b>				
<b>Prior Round: 22 units</b>				
	Post-1986	22		22
<b>Prior Round Subtotal</b>				<b>22</b>
<b>Growth Share: 135 units</b>				
	Post-1986	135		135
<b>Growth Share Subtotal</b>				<b>135</b>

**HOUSING ELEMENT**

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the Pine Hill that are most appropriate to

<sup>1</sup> Does not include exclusions permitted under N.J.A.C. 5:97-2.4, which may lower actual growth share.

accommodate such housing. Pine Hill's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the Pine Hill fair share obligation, which is the sum of the rehabilitation share, the prior round obligation and the growth share.

**A. Rehabilitation Share**

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Pine Hill has a rehabilitation share of 38 units.

**B. Prior Round Obligation**

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Pine Hill has a prior round obligation of 22 units.

**C. Projected Growth Share**

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, Pine Hill has a residential projection of 467 units and a non-residential projection of 662 jobs, which results in an initial projected growth share obligation of 135 affordable units.

**SUMMARY OF FAIR SHARE OBLIGATION**

Rehabilitation Share	38
Prior Round Obligation	22
Projected Growth Share Obligation (Net)	135

## **I. FAIR SHARE PLAN**

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Pine Hill proposes to apply a portion of the units from a 360-unit HUD Section 8 family rental project known as the Mansion to address its remaining rehabilitation share as well as its prior round and growth share obligations. The development was completed in 1996 and the affordability controls are in place until 2018. Pine Hill's Fair Share Plan and the supporting documentation incorporated by reference therein address the requirements of N.J.A.C. 5:97-3.1 as follows:

### **A. Plan to Address Rehabilitation Share**

#### **Rehabilitation Share Credits**

Pine Hill is requesting credit for 18 units rehabilitated subsequent to April 1, 2000. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

#### **Rehabilitation Credits**

<b>Rehabilitation Program</b>	<b># Credits</b>
Camden Co. Rehab Program	18
<b>TOTAL</b>	<b>18</b>

### **Proposed Rehabilitation Program**

Pine Hill will utilize 20 new construction credits from the Mansion to address its remaining 20-unit rehabilitation obligation. The use of new construction credits to address all or part of the rehabilitation share is permitted pursuant to N.J.A.C. 5:97- 6.2b.

#### **Proposed Rehabilitation Program(s)**

<b>Rehabilitation Program</b>	<b># Units</b>
New Construction Credits (The Mansion)	20
<b>TOTAL</b>	<b>20</b>

### **B. Plan to Address Prior Round Obligation**

#### **Prior Round Obligation Credits**

Pine Hill is addressing its 22-unit Prior Round Obligation with 16 post-1986 credits and six rental bonuses. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

#### **Post-1986 Credits**

<b>Project/Development Name</b>	<b>Year</b>	<b>Type of Affordable Unit</b>	<b># Units/ Bedrooms</b>	<b>Bonus Type</b>	<b># Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
The Mansion	1996	Family rental	16	Non-restricted rental	6	22
<b>SUBTOTALS</b>			<b>16</b>		<b>6</b>	<b>22</b>
<b>TOTAL</b>						<b>22</b>

### **Proposed Affordable Housing Mechanisms**

Pine Hill is relying on credits and therefore is not proposing any additional affordable housing mechanisms to address its Prior Round Obligation.

### **Prior Round Obligation Parameters**

Pine Hill has satisfied the applicable Prior Round parameters as follows:

#### **Prior Round Rental Obligation:<sup>2</sup> 6 Units**

<b>Development/Project Name</b>	<b>Type of Affordable Unit</b>	<b># Units</b>
The Mansion	Family rental	6
<b>TOTAL</b>		<b>6</b>

#### **Prior Round Rental Bonus Maximum<sup>3</sup> : 6 Units**

<b>Development/Project Name</b>	<b>Type of Bonus</b>	<b># Bonuses</b>
The Mansion	Non-restricted Rental	6
<b>TOTAL</b>		<b>6</b>

### **C. Plan to Address Projected Growth Share**

#### **Growth Share Obligation Credits**

Pine Hill is addressing 135 units of the projected Growth Share Obligation with 135 units of credit from the Mansion. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

<sup>2</sup> Rental Obligation: .25 (Prior Round Obligation – Prior Cycle Credits – Impact of 20% cap – Impact of 1000-unit limitation) = .25 (22 – 0 – 0 – 0 – 0) = 5.5 = 6

<sup>3</sup> No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation N.J.A.C. 5:97-3.5

### Post-1986 Credits

Project/Development Name	Year	Type of Affordable Unit	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
The Mansion	1996	Family rental	135	Non-restricted rental)	N/A	135
<b>SUBTOTALS</b>			<b>135</b>		<b>N/A</b>	<b>135</b>
<b>TOTAL</b>						<b>135</b>

### Proposed Affordable Housing Mechanisms

Pine Hill is relying on credits from the Mansion and therefore is not proposing any additional affordable housing mechanisms to address its Growth Share Obligation.

### Growth Share Parameters

Pine Hill has satisfied the applicable Growth Share parameters as follows:

#### Growth Share Rental Obligation:<sup>4</sup> 34 Units

Development/Project Name	Type of Affordable Unit	# Units
The Mansion	Family rental	34
<b>TOTAL</b>		<b>34</b>

#### Growth Share Family Rental Requirement<sup>5</sup> : 17 Units

Development/Project Name	Type of Affordable Unit	# Units
The Mansion	Family rental	17
<b>TOTAL</b>		<b>17</b>

<sup>4</sup> Projected Growth Share Rental Obligation:  $.25(\text{Projected Growth Share})$  or  $.25(135) = 33.74 = 34$  units. N.J.A.C. 5:97-3.10(b) 3.

<sup>5</sup> Projected Growth Share Family Rental Requirement:  $.5(\text{Projected Growth Share Rental Requirement}) = .5(34) = 17$  units. N.J.A.C. 5:97-3.6(a) 4.

**Growth Share Minimum Family Requirement<sup>6</sup> : 68 units**

Development/Project Name	Type of Affordable Unit	# Units
The Mansion	Family rental	68
<b>TOTAL</b>		<b>68</b>

**Actual Growth Share Obligation**

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, Pine Hill has issued certificates of occupancy for 63 housing units and also for the non-residential square footage equivalent of 162 jobs, yielding an actual growth share obligation through September 30, 2008, of 23 affordable units.<sup>7</sup>

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<sup>6</sup> Projected Growth Share Family Requirement:  $.5(\text{Projected Growth Share Obligation})$  or  $.5(135) = 67.5 = 68$  units. N.J.A.C. 5:97-3.9

<sup>7</sup> The number of residential COs (#) is divided by 5 to yield 13 units and the number of jobs is divided by 16 to yield 10 units. Pine Hill's total projected growth share is therefore 23 units (res 13 + non-res 10).

**D. Summary of Plan to Address Fair Share Obligation**

**REHABILITATION SHARE SUMMARY**

**Rehabilitation Share: 38 Units**

<b>Program Name</b>	<b># Units</b>
Camden County Program	18
New Construction Units (The Mansion)	20
<b>TOTAL</b>	<b>38</b>

**PRIOR ROUND SUMMARY**

**Prior Round Obligation: 22 Units**

	<b>Name of Mechanism</b>	<b># Units/ Bedrooms</b>	<b>Bonus Type</b>	<b># Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
<b>Post-1986 Credits</b>	The Mansion	<b>16</b>	Rental	<b>6</b>	<b>22</b>
<b>Subtotal</b>		<b>16</b>		<b>6</b>	
<b>TOTAL</b>					<b>22</b>

**GROWTH SHARE SUMMARY**

**Projected Growth Share Obligation: 135 Units**

	<b>Name of Mechanism</b>	<b># Units/ Bedrooms</b>	<b>Bonus Type</b>	<b># Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
<b>Post-1986 Credits</b>	The Mansion	<b>135</b>	N/A	<b>N/A</b>	<b>135</b>
<b>Subtotal</b>		<b>135</b>		<b>N/A</b>	
<b>TOTAL</b>					<b>135</b>

## **II. FAIR SHARE DOCUMENT REVIEW**

### **A. Development Fee Ordinance**

Pine Hill submitted an adopted development fee ordinance for COAH's review and approval with its third round petition. The development fee ordinance will be reviewed by COAH in a separate report.

### **B. Third Round Spending Plan**

A third round spending plan for COAH's review and approval was submitted by Pine Hill with the municipality's third round petition. The spending plan will be reviewed by COAH in a separate report.

### **C. Affordable Housing Ordinance/Affordable Housing Administration**

Pine Hill has submitted a draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., which was amended on December 20, 2004. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

The provisions establishing the position of a municipal housing liaison are included within the affordable housing ordinance. Upon adoption the municipality must adopt a resolution appointing a municipal housing liaison. A resolution designating the municipal housing liaison was passed by the Governing Body on January 12, 2009 (Resolution # 2009-30) and submitted to COAH on March 10, 2009.

The Mansion is a HUD Section 8 development. As such, an administrative agent is not required as long as the HUD-designated administrator submits monitoring reports to COAH.

### **D. Affirmative Marketing Plan**

The Mansion is a HUD Section 8 development and, as such, affirmative marketing will take place in accordance with HUD requirements.

### **III. MONITORING**

Pine Hill must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the municipality's actual growth pursuant to N.J.A.C. 5:97-2.5. Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Pine Hill's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Pine Hill and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall.

### **IV. RECOMMENDATION**

COAH staff recommends that Pine Hill be granted third round substantive certification. Pine Hill must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.